

State of Alaska FY2008 Governor's Operating Budget

Department of Law Civil Division Results Delivery Unit Budget Summary

Civil Division Results Delivery Unit

Contribution to Department's Mission

The mission of the Civil Division is to protect the human, financial, and natural resources of the state.

Core Services

The Civil Division RDU supports the Civil Division of the Department of Law. The Civil Division serves the interests of Alaska's citizens by providing legal counsel to the executive branch in all civil actions. The division defends and prosecutes all civil litigation to which the state is a party, and handles legal matters for and provides legal advice to the governor, executive branch agencies, and -- upon request and agreement-- the legislative and judicial branches; reviews regulations prepared by executive agencies; drafts legislation for introduction by the governor; and reviews all legislation before it is acted upon by the governor.

Activities of the Civil Division help protect the financial and natural resources of the state, defend Alaskans' access to the state's land and natural resources, and ensure that the laws and regulations that govern businesses, individuals, and government agencies are constitutional. The division takes action to protect children from abuse and neglect, enforce child support obligations, guarantee that state programs are administered fairly and that money owed to the state is collected, defend the state's interests relative to the federal government, and defend the state from unreasonable demands for payment of costs of lawsuits, personnel actions, and personal injuries. It protects the state's financial resources by advising agencies on decisions that might lead to financial claims, defending against unreasonable claims, and facilitating reasonable settlements or other appropriate resolution of issues.

The Civil Division RDU includes 15 budget components: (1) the Deputy Attorney General's Office; (2) Collections and Support; (3) Commercial and Fair Business Practices; (4) Environmental; (5) Human Services; (6) Labor and State Affairs; (7) Legislation and Regulations; (8) Natural Resources; (9) Oil, Gas and Mining; (10) Opinions, Appeals and Ethics; (11) Regulatory Affairs and Public Advocacy; (12) Statehood Defense; (13) Torts and Workers' Compensation; (14) Transportation; and (15) Timekeeping and Support. A short description of each budget component follows.

(1) The Deputy Attorney General's Office supports the Deputy for the Civil Division as the deputy assists the Attorney General and the department in carrying out its statutorily prescribed functions. The deputy serves as the chief operating officer for the division and is responsible for leading, managing, and coordinating the activities of the attorneys and paraprofessionals in each of the sections in the six locations of the division.

(2) The Collections and Support section consists of two units, the collections unit and the child support unit. The section protects the state's financial resources by collecting outstanding civil and criminal debts, and protects Alaska's children by establishing paternity and ensuring compliance with child support orders. The collection unit collects unsecured debts owed to the state. The majority of these debts are criminal judgments, but the unit also collects various civil judgments and penalties. In 2002, the collections unit began collecting restitution on behalf of victims in criminal and juvenile delinquency proceedings. The child support unit represents the Child Support Services Division (CSSD) in court, provides legal support in matters relating to administrative child support enforcement actions, drafts legislation and regulations, and provides general legal advice to CSSD.

(3) The Commercial and Fair Business Practices section protects the public by enforcing consumer protection and antitrust laws. It provides legal representation, defense and advice to 15 different divisions, commissions and corporations within the Departments of Revenue, Education and Early Development, and Commerce, Community and Economic Development. It provides legal services to the agencies that monitor insurance companies, and protects the public by handling enforcement actions in occupational licensing cases. The section provides legal services on revenue and commercial matters; protects the integrity of the state's public finances through fair interpretation, implementation, enforcement, defense, or adoption of statutes and regulations governing state revenue, charitable gaming, banking, securities, corporations, and the student loan program and other lending programs. The section also provides counsel concerning review of orders issued by the commission overseeing public utilities. The section acts as legal counsel for the Department of Revenue's Tax division (non-Oil and Gas), Permanent Fund Dividend division, and the Alaska Housing Finance Corporation. Within the Department of Commerce, Community and Economic Development, the section

provides legal services to the Divisions of Insurance, Investments, Banking and Securities, Corporations, Business and Professional Licensing and the Regulatory Commission of Alaska. The section also represents the Alaska Student Loan Corporation, the Alaska Commission on Postsecondary Education and the Professional Teaching Practices Commission in the Department of Education and Early Development.

(4) The Environmental law section provides legal representation to state agencies for the investigation, defense, and prosecution of claims regarding contaminated sites around the state. It also provides legal advice on environmental matters, including legal representation to state agencies for the defense and prosecution of claims regarding the EXXON VALDEZ oil spill, prosecuting cruise lines that foul Alaska's air and waters, providing legal advice to the Department of Natural Resources on the ACMP and provides advice on water quality issues including permitting for large mines, NPDES primacy, marine vessel wastewater discharges and drinking water. The section's work helps to protect the state's environment; to ensure that the costs of contaminated site cleanup are borne by the responsible parties; to minimize the state's exposure to claims for damages relating to environmental problems; to ensure that homeland security measures can be implemented consistent with Alaska's environmental laws; and to ensure that the costs of the available restoration funds from the EXXON VALDEZ settlement are expended in accordance with the law and for the maximum benefit of the Alaska environment. The section also provides legal advice to DEC on public health issues including food safety, animal health and pesticides.

(5) The Human Services section provides legal advice and representation to the Department of Health and Social Services on issues arising from the state's health services, social services, childcare licensing, and welfare programs. The section consists of two units, the Child Protection unit and the Human Services unit. Attorneys in the Child Protection unit provide legal assistance to the Department of Health and Social Services, Office of Children's Services (OCS) on issues arising from the state's child protection laws. Attorneys in the section advise OCS social workers and if necessary, engage in litigation to remove children from abusive or neglectful homes. The child protection unit has attorneys located in six separate geographic areas of the state to ensure that communities are better served in child protection cases. Attorneys in the Human Services unit provide legal representation to the Department of Health and Social Services on issues arising from the state's health services, social services and welfare programs. The unit prosecutes foster care, assisted living and adult foster home licensing revocations; establishes senior guardianships and conservatorships; represents the state's psychiatric facility in mental commitments; represents the state in Medicaid recipient/provider hearings and appeals and other Medicaid issues; provides advice on the state's certificate of need program and in public health and public assistance matters. Additionally, at the request of the Division of Health Care Services, the section has taken on the responsibility of enforcing statutory subrogation and lien rights when an individual becomes a Medicaid recipient as the result of the actions of a third party.

(6) The Labor and State Affairs section provides legal assistance needed for governmental management, including budget, public finance, employment, labor relations, civil rights, procurement, retirement programs, Medicaid rate disputes, investment of treasury and Permanent Fund Corporation funds and homeland security matters. The section provides legal assistance on problems associated with institutional relationships within state government, the interaction between state and local governments, and the conduct of elections. The section provides legal assistance to virtually every agency in state government on personnel, employment and labor relations' issues. It also provides legal counsel to the Division of Motor Vehicles for revocation of driver's licenses. Agency recipients of the majority of legal services include the Departments of Administration, Community and Economic Development, Education and Early Development, Health and Social Services, Labor and Workforce Development and Military and Veteran's Affairs; the Offices of the Governor and Lieutenant Governor, the Governor's Office of Management and Budget; and quasi governmental entities such as the Alaska Industrial Development and Export Authority and the Alaska Permanent Fund Corporation.

(7) The Legislation and Regulations Section drafts and edits legislation on behalf of the governor for introduction in the legislature, tracks and reviews all legislation for legal issues before the governor acts on it, and reviews virtually all regulations adopted by the executive branch for compliance with legal requirements. The section assists the governor's office in seeking passage of legislation introduced at the request of the governor. The section coordinates responses to legal questions and requests for information from legislators to the Department of Law. The section provides training on regulations and legislative matters to all state agencies and to assistant attorneys general. The section prepares the Drafting Manual for Administrative Regulations. The section frequently provides advice to state agencies regarding legal requirements for legislation, regulations, public records, and the Open Meetings Act. The regulations attorney serves as the executive branch representative to the National Conference of Commissioners on Uniform State Laws, which formulates model legislation on issues of nationwide concern.

(8) The Natural Resources section provides legal advice and representation to state departments, boards, and commissions that regulate Alaska's lands, waters, and fish and game. It protects Alaskans' interests by ensuring that

the state's natural resources are managed and allocated by state agencies in a manner that is consistent with the law, defending against legal challenges to actions taken by the state's natural resource agencies, and pursuing legal actions against persons who are illegally using, damaging, or destroying Alaska's lands, waters, or renewable natural resources. It advises state agencies on issues relating to mental health lands and Native allotments and represents the state in legal actions involving those lands. It also provides legal advice to the Agricultural Revolving Loan Fund. The Natural Resources section supervisor also oversees the activities of the Statehood Defense component.

(9) The Oil, Gas, and Mining section is responsible for litigating oil, gas and mining resource disputes involving the state. It provides legal representation to state agencies for the investigation, defense, and prosecution of claims concerning the state's oil and gas royalty and taxation programs. It protects Alaskans' interests by ensuring that the state receives the royalty and tax revenues to which it is entitled for current and past production. It also defends against challenges to state oil and gas lease sale programs, monitors and protests tariffs charged for transportation of oil and gas production through pipelines, and provides legal advice to state agencies concerning the development of state oil, gas, and mineral resources.

Department attorneys must frequently rely on economists, engineers, and other experts to address these highly technical oil and gas issues. Moreover, due to the complexity, length, and magnitude of major tax, royalty, tariff, and antitrust cases, outside counsel must sometimes be used to help in these disputes. The contracts with outside counsel and expert consultants on large or complex oil and gas cases are also funded by this component, as are the legal services related to lease sales, drafting and interpreting oil and gas statutes and regulations, pipeline right-of-way issues, and oil and gas conservation.

(10) The Opinions, Appeals and Ethics section provides specialized legal services and expertise to all state departments, commissions, boards and agencies on legal opinions, civil appeals in state and federal court, and executive branch ethics. The section's primary functions include improving the state's advocacy in civil appellate work, improving the quality of Attorney General opinions, providing timely and comprehensive services on executive branch ethics for all state government, and providing specialized legal expertise in certain areas including public records act and Indian law. The attorneys in the section evaluate and make recommendations to the Attorney General on all civil appeals and petitions for review. The section also provides assistance with briefing and case preparation, and handles appeals where the case presents significant constitutional issues.

(11) The Regulatory Affairs and Public Advocacy section was created in July 2004. The section carries out the Attorney General's responsibility to represent the public interest in regulatory affairs by performing the public advocacy function in utility and pipeline carrier matters that come before the Regulatory Commission of Alaska.

(12) The Statehood Defense group located in the Natural Resources section of the Department of Law litigates issues raised by conflicts between state and federal jurisdiction. The group handles a variety of complex cases that will have a profound and lasting impact on management of Alaska's natural resources. The state frequently must defend against encroachment by the federal government into areas traditionally regulated by the state. The Statehood Defense group works on RS 2477 rights-of-way, access in National Forests and across other federal lands and ANCSA 17(b) and other easements. The unit provides ongoing legal advice to the Department of Fish and Game as it works to implement dual management of subsistence resources and closely monitors the actions of the Federal Subsistence Board. The unit also works on issues arising under the Endangered Species Act, the Pacific Salmon Treaty, the Magnuson-Stevens Fishery Conservation and Management Act, and other federal laws to protect state fishery and wildlife resources and the state's role in managing them. The unit also assists DNR with its' efforts to secure Alaska Statehood Act land entitlements. The unit frequently comments on drafts and amendments to bills before Congress on a wide range of resource related topics and provides advice to state agencies on matters of federal Indian law.

(13) The Torts and Workers' Compensation section provides legal defense in tort litigation cases filed against the state, state agencies, and state employees, including personal injury, property damage, and civil rights suits brought under 42 U.S.C. §1983. The section also defends the state in contested workers' compensation claims, and provides advice and training to reduce the state's liability exposure. The section provides legal services to the Division of Risk Management and, through it, to all state agencies.

(14) The Transportation section provides legal advice to and representation of the Department of Transportation and Public Facilities. The section assists the Department of Transportation with project development and operation of the public infrastructure necessary for the safety and well-being of Alaskans by providing advice and representation on all aspects of the construction and operation of the state's public facilities, including building, highways, ferries, airports, harbors, communications facilities, and other public works.

(15) The Timekeeping and Support section, which is comprised of those cost elements of the Civil Division support pool that are division-wide rather than section-specific, includes the costs of law office management (for the Juneau, Anchorage, and Fairbanks offices), case management, and division timekeeping and billing. The section provides day-to-day support to the legal staff by ensuring that resources necessary to perform their jobs are available. The section is responsible for maintaining work management and timekeeping records, providing accurate and timely billing to client agencies, and ensuring that office operations flow efficiently and unencumbered while state and department policies are followed and consistently applied.

End Results	Strategies to Achieve Results
<p>A: Improve Client-Agency Decision Making</p> <p><u>Target #1:</u> 5% reduction per year in legal challenges to final agency decisions in which the state does not prevail</p> <p><u>Measure #1:</u> % reduction in legal challenges to agency decisions per year in which the state does not prevail</p>	<p>A1: Increase agency training</p> <p><u>Target #1:</u> 1 training per agency per year</p> <p><u>Measure #1:</u> # of agencies receiving one training per year</p> <p>A2: Implement review of existing agency regulations to ensure clarity and statutory consistency</p> <p><u>Target #1:</u> 2 reviews per year</p> <p><u>Measure #1:</u> # of reviews completed per year</p> <p>A3: Reduce time for legal reviews of agency approved regulations</p> <p><u>Target #1:</u> 100% on-time response</p> <p><u>Measure #1:</u> % response delivered within mutually agreed time</p> <p>A4: Increase public awareness of agency regulation adoption process</p> <p><u>Target #1:</u> Hold 1 informational meeting for the public per year</p> <p><u>Measure #1:</u> Number of informational meetings held per year</p> <p>A5: Encourage and facilitate agency use of alternative dispute resolution</p> <p><u>Target #1:</u> Train two agencies in ADR use per year</p> <p><u>Measure #1:</u> # of agencies trained in ADR use per year</p> <p>A6: Increase communication between client agencies and Department of Law</p> <p><u>Target #1:</u> Implement annual senior staff meetings with each agency</p> <p><u>Measure #1:</u> # of agency senior staff meetings per year</p> <p>A7: Enhance compliance with state ethics laws</p> <p><u>Target #1:</u> Train 3 agencies in ethics per year</p> <p><u>Measure #1:</u> # of agencies trained each year</p> <p><u>Target #2:</u> 5% increase in informal advice to agencies on ethics</p> <p><u>Measure #2:</u> % increase in informal responses to</p>

	<p>questions about ethics.</p> <p><u>Target #3:</u> Increase timeliness of response in ethics matters</p> <p><u>Measure #3:</u> % responses delivered within established timeframe.</p>
End Results	Strategies to Achieve Results
<p>B: Enhance the Welfare of Children</p> <p><u>Target #1:</u> Increase the percentage of cases in which a permanent legal resolution is obtained for children in the custody of the Department of Health and Social Services, Office of Children's Services</p> <p><u>Measure #1:</u> % of cases in which a permanent legal resolution is obtained for children in state custody.</p> <p><u>Target #2:</u> Increase the percentage of Child in Need of Aid cases that are eligible for federal reimbursement.</p> <p><u>Measure #2:</u> % of Child in Need of Aid cases that are eligible for federal reimbursement.</p> <p><u>Target #3:</u> Increase the percentage of child support cases successfully resolved</p> <p><u>Measure #3:</u> % of child support cases successfully resolved</p>	<p>B1: Increase the number of Petitions for Termination of Parental Rights or Petitions for Guardianship when a child has been in the custody of the department for 15 of the most recent 22 months when adoption of guardianship is the plan for the child</p> <p><u>Target #1:</u> Two training sessions per year for AGO staff and OCS staff.</p> <p><u>Measure #1:</u> # of training sessions completed each year</p> <p><u>Target #2:</u> File Petitions for Termination of Parental Rights within the timeframe mandated by statute in the cases in which the filing of such petitions is statutorily required</p> <p><u>Measure #2:</u> % of petitions filed within the statutorily mandated timeframe</p> <p><u>Target #3:</u> File Petitions for Guardianship with 60 days in the cases in which guardianship has been identified as the permanent goal for the child</p> <p><u>Measure #3:</u> % of petitions filed with within 60 days after guardianship has been identified as the permanent goal</p> <p>B2: Increase the number of child support orders that comply with state child support guidelines</p> <p><u>Target #1:</u> Take action in 90% of child support modification files within 30 days of receipt of file from CSED</p> <p><u>Measure #1:</u> % of modification files in which action is taken within 30 days of receipt by this office.</p> <p>B3: Improve administrative decision-making at the administrative review and formal hearing level</p> <p><u>Target #1:</u> Complete one training session per year for establishment and modification personnel at CSED</p> <p><u>Measure #1:</u> # of training sessions completed each year</p> <p><u>Target #2:</u> One annual meeting with CSSD's senior staff</p> <p><u>Measure #2:</u> # of meetings with CSSD's senior staff each year</p> <p><u>Target #3:</u> Provide monthly report to CSED summarizing supreme court decisions relating to child support and recommending changes to CSED regulations, policies, or procedures as a result of those decisions</p> <p><u>Measure #3:</u> # of monthly reports completed each year</p> <p>B4: Increase the use of civil enforcement remedies in cases where routine administrative collection actions</p>

	<p>have failed</p> <p><u>Target #1:</u> Conduct four meetings with CSSD enforcement personnel each year to discuss screening and investigating cases for complex civil enforcement remedies</p> <p><u>Measure #1:</u> # of meetings held with CSED enforcement personnel each year</p> <p><u>Target #2:</u> Increase the number of cases accepted for complex civil enforcement action – including civil contempt, fraudulent transfer, piercing the corporate veil, seek work orders, or license enforcement – by 2% per year</p> <p><u>Measure #2:</u> % increase in the number of cases referred by CSED that are accepted for complex civil enforcement</p> <p>B5: Increase in number of cases in which appropriate judicial findings are contained in the initial court order and in permanency orders in Child-in-Need of Aid cases</p> <p><u>Target #1:</u> Two training sessions per year for AGO staff and OCS staff</p> <p><u>Measure #1:</u> # of training sessions completed each year</p> <p><u>Target #2:</u> 100% Quality assurance review of all initial court orders prepared by AGO staff within 5 business days of receipt</p> <p><u>Measure #2:</u> % of initial court orders reviewed within 5 days of receipt</p> <p><u>Target #3:</u> 100% of deficient court orders remedied within 30 days of notification by DHSS</p> <p><u>Measure #3:</u> % of cases in which deficiencies have been remedied within 30 days of notification</p>
End Results	Strategies to Achieve Results
<p>C: Enhance The Protection of Victims of Crimes and Delinquent Acts</p> <p><u>Target #1:</u> Reduction in complaints from victims of crimes and delinquent acts submitted to the Office of Victims Rights, the Attorney General's Office, the State Ombudsman, or the Office of the Governor.</p> <p><u>Measure #1:</u> Change in the number of complaints submitted by victims to the offices designated above.</p>	<p>C1: Increase collection of restitution on behalf of victims</p> <p><u>Target #1:</u> Request disbursement of 90% of all restitution payments to victims within 10 business days after receipt of the payment, excluding the 30-day hold for personal checks</p> <p><u>Measure #1:</u> % of disbursements that are requested within 10 business days of receipt of payment, not including the 30-day hold for personal checks</p> <p><u>Target #2:</u> Increase the overall restitution collections by 5% each year</p> <p><u>Measure #2:</u> % increase in total restitution collections each year</p> <p><u>Target #3:</u> Increase the number of cases closed by 5% each year due to payment in full of the restitution.</p> <p><u>Measure #3:</u> % increase in restitution cases closed each year.</p>

	<p><u>Target #4:</u> Increase by 10%the use of civil enforcement remedies in cases where permanent fund dividend attachments have failed</p> <p><u>Measure #4:</u> % increase in number of cases in which one or more of the following actions have been taken: (1) bank sweeps; (2) wage garnishments; and (3) liens recorded</p>
End Results	Strategies to Achieve Results
<p>D: Enhance Consumer Protection in Alaska</p> <p><u>Target #1:</u> Increase effective consumer protection enforcement through successful resolution of consumer complaints, enforcement actions and consumer education</p> <p><u>Measure #1:</u> Increase in the number of consumer complaints resolved, enforcement actions taken, and consumer education initiatives completed</p>	<p>D1: Increase consumer education</p> <p><u>Target #1:</u> At least 4 consumer education initiatives completed per year</p> <p><u>Measure #1:</u> Number of initiatives completed in a year</p> <p>D2: Develop stronger consumer protection laws and regulations</p> <p><u>Target #1:</u> Propose two consumer protection or antitrust legislative initiatives or regulations per year.</p> <p><u>Measure #1:</u> Number of legislative initiatives submitted and regulations drafted per year</p> <p>D3: Effective enforcement</p> <p><u>Target #1:</u> 5% increase in investigations and prosecutions</p> <p><u>Measure #1:</u> % increase in number of investigations and prosecutions initiated</p> <p>D4: Effective antitrust enforcement</p> <p><u>Target #1:</u> Participate in multistate antitrust matters and investigate local matters implicating antitrust issues</p> <p><u>Measure #1:</u> Number of multistate antitrust joined and local antitrust investigations initiated</p> <p>D5: Effective implementation of registration laws</p> <p><u>Target #1:</u> 100% of annual registration applications processed within one year</p> <p><u>Measure #1:</u> % of actual applications processed within one year</p> <p>D6: Effective consumer complaint resolution</p> <p><u>Target #1:</u> Increase % of consumer complaints resolved through informal complaint process</p> <p><u>Measure #1:</u> % increase in consumer complaints resolved through informal complaint process</p>
End Results	Strategies to Achieve Results
<p>E: Improve Regulatory Advocacy On Behalf Of The Public</p> <p><u>Target #1:</u> 70% success rate in representing the public interest before the RCA</p> <p><u>Measure #1:</u> % of cases in which the position of the DOL RAPA section is adopted by decision or settlement</p>	<p>E1: Increase effectiveness of AG's advocacy of public interest in RCA dockets</p> <p><u>Target #1:</u> 5% increase in success rate in representing public interest</p> <p><u>Measure #1:</u> % increase in cases in which the AG's public interest position is adopted by decision or</p>

	<p>settlement</p> <p>E2: Enhance operational expertise</p> <p><u>Target #1:</u> Provide one training opportunity a year for AAGs and RCA staff</p> <p><u>Measure #1:</u> # of training opportunities provided</p> <p>E3: Enhance public awareness of public advocacy role</p> <p><u>Target #1:</u> Publish Public Advocate Advisories for cases significantly affecting the public interest</p> <p><u>Measure #1:</u> # of Public Advocate Advisories published for cases significantly affecting the public interest</p>
End Results	Strategies to Achieve Results
<p>F: Enhance State Revenue From Mineral Resources</p> <p><u>Target #1:</u> Increase state revenue from mineral resource development by 20% (adjusted for changes in oil and gas prices) over current baseline projections, over the next ten years</p> <p><u>Measure #1:</u> % progress toward increase in state revenue from mineral resource development over current baseline projections, each year over the next ten years</p>	<p>F1: Assist state agencies in achieving a project to market Alaska's North Slope Gas</p> <p><u>Target #1:</u> Within seven years have a transportation system completed to carry North Slope gas to market</p> <p><u>Measure #1:</u> Number of years required for completion of a transportation system to carry North Slope gas to market</p> <p>F2: Defend non-discriminatory inter-state TAPS tariff</p> <p><u>Target #1:</u> Achieve non-discriminatory TAPS tariff</p> <p><u>Measure #1:</u> Successful FERC adjudicatory determination following administrative hearing</p>

FY2008 Resources Allocated to Achieve Results

FY2008 Results Delivery Unit Budget: \$42,097,300

Personnel:

Full time	286
Part time	11
Total	297

Performance Measure Detail

A: Result - Improve Client-Agency Decision Making

Target #1: 5% reduction per year in legal challenges to final agency decisions in which the state does not prevail

Measure #1: % reduction in legal challenges to agency decisions per year in which the state does not prevail

A1: Strategy - Increase agency training**Target #1:** 1 training per agency per year**Measure #1:** # of agencies receiving one training per year

Fiscal Year	YTD Total	Target	Variance
FY 2006	15	15	0

*Does not include Court System, University, Railroad, or Legislature***A2: Strategy - Implement review of existing agency regulations to ensure clarity and statutory consistency****Target #1:** 2 reviews per year**Measure #1:** # of reviews completed per year**Regulation Review**

Fiscal Year	YTD Total	Target	Variance
FY 2006	5	2	0

A3: Strategy - Reduce time for legal reviews of agency approved regulations**Target #1:** 100% on-time response**Measure #1:** % response delivered within mutually agreed time**Regulation Review On Time**

Fiscal Year	YTD Total	Target	Variance
FY 2006	95%	100%	5%

During fiscal year 2006, Law reduced to only two occasions the need to conduct or facilitate final regulations attorney review of regulations projects. These projects were time sensitive and in-house capacity was unavailable due to press of the legislative session or other regulations priorities from other state agencies. The Oil and Gas section reports that they were 100% on time for this measure, which is not reflected in the percentage above.

A4: Strategy - Increase public awareness of agency regulation adoption process**Target #1:** Hold 1 informational meeting for the public per year**Measure #1:** Number of informational meetings held per year**Informational Meetings**

Fiscal Year	YTD Total	Target	Variance
FY 2006	45	1	0

These are meetings held not solely for the public, but public attend to gain information. The meetings consist of the Boards of Fisheries, Game, Big Game Commercial Services Guide Board, Kenai River Working Group, Board of Agriculture and Conservation, Soil and Water Conservation and Development, Board, and the Federal Subsistence Board.

Analysis of results and challenges: The Legislation and Regulations Section has worked closely with the small business regulations coordinator in the Department of Commerce, Community and Economic Development in the implementation of the small business regulations pilot project. The pilot project was authorized by the legislature to facilitate regulations being more responsive to the needs of small business. The Legislation and Regulations section has provided training to, and reviewed materials for the small business regulations coordinator. The small business regulations coordinator has given presentations before small business groups and conferences during fiscal year 2006 to explain the small business regulations pilot project.

A5: Strategy - Encourage and facilitate agency use of alternative dispute resolution**Target #1:** Train two agencies in ADR use per year**Measure #1:** # of agencies trained in ADR use per year**Alternative Dispute Resolution**

Fiscal Year	YTD Total	Target	Variance
FY 2006	2	2	0

A6: Strategy - Increase communication between client agencies and Department of Law**Target #1:** Implement annual senior staff meetings with each agency**Measure #1:** # of agency senior staff meetings per year

Analysis of results and challenges: Staff in the Natural Resources section meet with senior level agency staff an average of 300+ times per year. The Environmental Section reports three senior staff meetings, Collections and Support reports one meeting. Oil and Gas reports that the section, along with DNR Oil and Gas and Revenue Audit jointly put on a "Royalty Day" presentation for staff from all 3 agencies in order to facilitate a common ground of understanding of lease, litigation, royalty and tax history. We have also participated in informal brown bag lunches with the DNR Oil and Gas division on different oil and gas related topics. Future, similar sessions are planned for other DNR divisions.

A7: Strategy - Enhance compliance with state ethics laws**Target #1:** Train 3 agencies in ethics per year**Measure #1:** # of agencies trained each year**Increased Ethics Training**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2006	0	0	0	0	1

*Board of Fisheries and Board of Game***Target #2:** 5% increase in informal advice to agencies on ethics**Measure #2:** % increase in informal responses to questions about ethics.

Analysis of results and challenges: With the transition in administrations, we have been asked about various ethics issues with respect to post-state employment and conflicts of interest. We have achieved 100% of responses delivered within mutually agreed timeframes.

Target #3: Increase timeliness of response in ethics matters**Measure #3:** % responses delivered within established timeframe.**B: Result - Enhance the Welfare of Children**

Target #1: Increase the percentage of cases in which a permanent legal resolution is obtained for children in the custody of the Department of Health and Social Services, Office of Children's Services

Measure #1: % of cases in which a permanent legal resolution is obtained for children in state custody.**Target #2:** Increase the percentage of Child in Need of Aid cases that are eligible for federal reimbursement.**Measure #2:** % of Child in Need of Aid cases that are eligible for federal reimbursement.

Analysis of results and challenges: The Department of Law has a role in increasing the number of children in foster care who are eligible for federal aide by obtaining specific judicial findings at various points in the case. At the very first hearing, attorneys must obtain a finding that it is "contrary to the welfare of the child to remain in the home". Failure to obtain such a finding will keep OCS from ever receiving federal foster care reimbursement for that child through Title IV-E of the Social Security Act. Our office has consistently been meeting this goal over the last few years. The area in which we could improve has to do with obtaining a finding that "reasonable efforts have been made to achieve the permanent plan for the child" within 12 months after the child enters foster care and every 12 months thereafter. While our attorneys, with the assistance of OCS social workers, have improved on having the hearing in time, our office needs to improve by completing the necessary court orders after the hearings so that the case will be counted in a quarterly federal audit. We could also improve in getting missing orders to OCS on a timely basis.

Target #3: Increase the percentage of child support cases successfully resolved

Measure #3: % of child support cases successfully resolved

B1: Strategy - Increase the number of Petitions for Termination of Parental Rights or Petitions for Guardianship when a child has been in the custody of the department for 15 of the most recent 22 months when adoption of guardianship is the plan for the child

Target #1: Two training sessions per year for AGO staff and OCS staff.

Measure #1: # of training sessions completed each year

Analysis of results and challenges: The second goal we set was to have twice yearly meetings to ensure attorneys are aware of the Title IV-E requirements. We had one such meeting at our CLE in January 2006 and will have additional training within a few months.

Target #2: File Petitions for Termination of Parental Rights within the timeframe mandated by statute in the cases in which the filing of such petitions is statutorily required

Measure #2: % of petitions filed within the statutorily mandated timeframe

Analysis of results and challenges: Law had anticipated that the OCS ORCA case management system would be able to generate a report to give us the information about how often we file petitions to terminate parental rights "on time" (when a child has been out of the home for 15 of the most recent 22 months) and when we file guardianship petitions. Unfortunately, that information is not readily available from OCS on short notice. Law continues to request it. Law hopes that our new case management system at Law will produce this kind of information. Nevertheless, we do not expect the current statistics to show that we have improved in this area. We just recently hired 4 new attorneys in Anchorage and anticipate filling a new position in Palmer in the very near future. It is only with our office fully staffed that I would expect that we could improve in this area.

Target #3: File Petitions for Guardianship with 60 days in the cases in which guardianship has been identified as the permanent goal for the child

Measure #3: % of petitions filed with within 60 days after guardianship has been identified as the permanent goal

Analysis of results and challenges: Law had anticipated that the OCS ORCA case management system would be able to generate a report to give us the information about how often we file petitions to terminate parental rights "on time" (when a child has been out of the home for 15 of the most recent 22 months) and when we file guardianship petitions. Unfortunately, that information is not readily available from OCS on short notice. Law continues to request it. Law hopes that our new case management system at Law will produce this kind of information. Nevertheless, we do not expect the current statistics to show that we have improved in this area. We just recently hired 4 new attorneys in Anchorage and anticipate filling a new position in Palmer in the very near future. It is only with our office fully staffed that I would expect that we could improve in this area.

B2: Strategy - Increase the number of child support orders that comply with state child support guidelines

Target #1: Take action in 90% of child support modification files within 30 days of receipt of file from CSED

Measure #1: % of modification files in which action is taken within 30 days of receipt by this office.

Analysis of results and challenges: In FY 06, 817 modifications files opened; complete data on date of action not readily available.

B3: Strategy - Improve administrative decision-making at the administrative review and formal hearing level

Target #1: Complete one training session per year for establishment and modification personnel at CSED

Measure #1: # of training sessions completed each year

Analysis of results and challenges: One training session was conducted in FY 2006.

Target #2: One annual meeting with CSSD's senior staff

Measure #2: # of meetings with CSSD's senior staff each year

Analysis of results and challenges: One annual meeting with senior staff was held in FY 2006.

Target #3: Provide monthly report to CSED summarizing supreme court decisions relating to child support and recommending changes to CSED regulations, policies, or procedures as a result of those decisions

Measure #3: # of monthly reports completed each year

Analysis of results and challenges: Five reports were completed representing all months with relevant supreme court decisions issued.

B4: Strategy - Increase the use of civil enforcement remedies in cases where routine administrative collection actions have failed

Target #1: Conduct four meetings with CSSD enforcement personnel each year to discuss screening and investigating cases for complex civil enforcement remedies

Measure #1: # of meetings held with CSED enforcement personnel each year

Meetings with Enforcement Personnel

Fiscal Year	YTD Total	Target	Variance
FY 2006	5	4	-1

Target #2: Increase the number of cases accepted for complex civil enforcement action – including civil contempt, fraudulent transfer, piercing the corporate veil, seek work orders, or license enforcement – by 2% per year

Measure #2: % increase in the number of cases referred by CSED that are accepted for complex civil enforcement

Increase CSSD complex civil enforcement cases

Fiscal Year	YTD Total
FY 2005	9
FY 2006	27

B5: Strategy - Increase in number of cases in which appropriate judicial findings are contained in the initial court order and in permanency orders in Child-in-Need of Aid cases

Target #1: Two training sessions per year for AGO staff and OCS staff

Measure #1: # of training sessions completed each year

Analysis of results and challenges: We had one such meeting at our CLE in January 2006 and will have additional training within a few months.

Target #2: 100% Quality assurance review of all initial court orders prepared by AGO staff within 5 business days of receipt

Measure #2: % of initial court orders reviewed within 5 days of receipt

Analysis of results and challenges: The Child Protection Section Chief personally reviews the initial court orders prepared by new AAG staff to make sure they will qualify for federal reimbursement. She generally reviews these orders for 2-3 months after the employment of a new AAG.

Target #3: 100% of deficient court orders remedied within 30 days of notification by DHSS

Measure #3: % of cases in which deficiencies have been remedied within 30 days of notification

Analysis of results and challenges: OCS has been notifying the Child Protection Section Chief of deficient or missing court orders. She then notifies the attorney and ask that they copy me with the order or notify her if the order had already been prepared but just needed to be sent to OCS. The Section Chief has kept track of those requests, and believes we have met this goal. She has not heard about any deficient or missing court orders for many months.

C: Result - Enhance The Protection of Victims of Crimes and Delinquent Acts

Target #1: Reduction in complaints from victims of crimes and delinquent acts submitted to the Office of Victims Rights, the Attorney General's Office, the State Ombudsman, or the Office of the Governor.

Measure #1: Change in the number of complaints submitted by victims to the offices designated above.

Analysis of results and challenges: One valid, written complaint was received from a victim in FY 2006. No data is available from FY 2005.

C1: Strategy - Increase collection of restitution on behalf of victims

Target #1: Request disbursement of 90% of all restitution payments to victims within 10 business days after receipt of the payment, excluding the 30-day hold for personal checks

Measure #1: % of disbursements that are requested within 10 business days of receipt of payment, not including the 30-day hold for personal checks

Analysis of results and challenges: Currently, this data is not tracked and cannot be easily obtained. The goal is to track this information when the new collections database is implemented.

Target #2: Increase the overall restitution collections by 5% each year

Measure #2: % increase in total restitution collections each year

Increase in Collections

Fiscal Year	YTD Total	Target	Variance
FY 2005	1,580,055.01	Baseline	0
FY 2006	1,554,055.01	1,604,000	1.5% Decrease

The decrease is very likely due to the decrease in the Permanent Fund Dividend check from FY 2005 to FY 2006 (2004 PFD \$919; 2005 PFD \$845) since the PFD is the primary collection tool.

Target #3: Increase the number of cases closed by 5% each year due to payment in full of the restitution.

Measure #3: % increase in restitution cases closed each year.

Restitution Cases Closed

Fiscal Year	Adults	Juveniles	YTD Total	Target	Variance
FY 2005	321	127	448	Baseline	0
FY 2006	409	188	597	470	-28%

Target #4: Increase by 10% the use of civil enforcement remedies in cases where permanent fund dividend attachments have failed

Measure #4: % increase in number of cases in which one or more of the following actions have been taken: (1) bank sweeps; (2) wage garnishments; and (3) liens recorded

Analysis of results and challenges: Data not currently tracked or readily available.

D: Result - Enhance Consumer Protection in Alaska

Target #1: Increase effective consumer protection enforcement through successful resolution of consumer complaints, enforcement actions and consumer education

Measure #1: Increase in the number of consumer complaints resolved, enforcement actions taken, and consumer education initiatives completed

Analysis of results and challenges: As indicated in the strategies, the consumer protection unit met its target strategies for enhancing consumer protection for FY2006.

D1: Strategy - Increase consumer education

Target #1: At least 4 consumer education initiatives completed per year

Measure #1: Number of initiatives completed in a year

Consumer Education Initiatives

Fiscal Year	YTD Total	Target	Variance
FY 2006	4	4	0

The CP Unit participated in a predatory lending education initiative which included the publication of a predatory lending brochure and participation in the statewide Don't Borrow Trouble campaign sponsored by the Predatory Lending Task Force, which the Department of Law is an active member. The unit also conducted three programs, including presentations for the Alaska Women's Resource Center Conference for seniors, a presentation to the Alaska Security Information Society regarding cyber crime and internet fraud, and participation on a panel for KAKM television on fraud against seniors.

In addition, the CP Unit issued 4 consumer education press releases and posted 10 consumer alerts on the Consumer Protection web page containing warnings of scams and other relevant consumer information. The CP Unit also received a stipend through the National Consumers League to be used for a program to educate seniors on telemarketing fraud. The money will be used for airing Public Service Announcements (PSAs) about foreign lottery fraud. The PSAs will be in both English and Yup'ik.

D2: Strategy - Develop stronger consumer protection laws and regulations

Target #1: Propose two consumer protection or antitrust legislative initiatives or regulations per year.

Measure #1: Number of legislative initiatives submitted and regulations drafted per year

Stronger Consumer Laws

Fiscal Year	YTD Total	Target	Variance
FY 2006	2	2	0

The CP Unit proposed two legislative initiatives, including legislative proposals relating to the regulation of sellers of travel, revisions to the statutory power of attorney provisions. The CP Unit also worked closely with the Legislature to pass an amendment to the Consumer

Protection Act to increase civil penalties from \$5,000 per violation to \$25,000 per violation. Additionally, CP Unit worked closely with the Division of Banking on the mortgage broker/lender legislation introduced by that Division.

The CP Unit completed a regulation project implementing new reporting requirements and forms for charitable organizations and paid solicitors for charitable organizations.

D3: Strategy - Effective enforcement

Target #1: 5% increase in investigations and prosecutions

Measure #1: % increase in number of investigations and prosecutions initiated

Effective Enforcement

Year	YTD Total	Target	Variance
2005	36	Baseline	0
2006	37 +2.78%	38 0%	1 0%

In FY 2005, the CP unit opened 26 investigations and prosecuted 10 cases through filed actions and/or settlement. For FY06, the CP unit opened 25 investigations and prosecuted 12 cases through filed actions and/or settlement. While there was not an increase in opened investigations, there was a better than 5% increase in prosecutions.

D4: Strategy - Effective antitrust enforcement

Target #1: Participate in multistate antitrust matters and investigate local matters implicating antitrust issues

Measure #1: Number of multistate antitrust joined and local antitrust investigations initiated

Analysis of results and challenges: The CP Unit is currently involved in seven multistate antitrust cases. Locally, we also investigated the Trident/Ocean Beauty merger (merger was called off); completed the Alaska CHARR price fixing review; and completed our investigation of the Crowley Marine/Yukon merger that resulted in a Consent Judgment. The unit continues to monitor and report on retail gasoline issues.

D5: Strategy - Effective implementation of registration laws

Target #1: 100% of annual registration applications processed within one year

Measure #1: % of actual applications processed within one year

Implementation of Registration Laws

Fiscal Year	YTD Total	Target	Variance
FY 2006	100%	100%	0

All charitable organizations and paid solicitors registrations for 2005 that were processed in FY06. There were 2,989 charitable organization registrations processed and 95 paid solicitor registrations processed.

All telemarketing applications for 2005 were processed in FY06. Although there were inquiries regarding registration for sellers of business opportunities, no registrations were submitted.

D6: Strategy - Effective consumer complaint resolution

Target #1: Increase % of consumer complaints resolved through informal complaint process

Measure #1: % increase in consumer complaints resolved through informal complaint process

Consumer Complaint Resolution

Fiscal Year	YTD Total	Target	Variance
FY 2005	24.6%	Baseline	0
FY 2006	57.5%	24.7%	221%

In FY05, the CP unit received 369 complaints and 91 were resolved for a 24.6% disposition rate. In FY06, the unit received 353 complaints and 203 were resolved for a disposition rate of 57.5%. The FY06 disposition rate represents a 32.9% increase over FY05.

E: Result - Improve Regulatory Advocacy On Behalf Of The Public

Target #1: 70% success rate in representing the public interest before the RCA

Measure #1: % of cases in which the position of the DOL RAPA section is adopted by decision or settlement

Improve Regulatory Advocacy

Fiscal Year	YTD Total	Target	Variance
FY 2006	88%	70%	-18%

26 dockets with final decisions, 3 in which RAPA position not adopted.

E1: Strategy - Increase effectiveness of AG's advocacy of public interest in RCA dockets

Target #1: 5% increase in success rate in representing public interest

Measure #1: % increase in cases in which the AG's public interest position is adopted by decision or settlement

E2: Strategy - Enhance operational expertise

Target #1: Provide one training opportunity a year for AAGs and RCA staff

Measure #1: # of training opportunities provided

E3: Strategy - Enhance public awareness of public advocacy role

Target #1: Publish Public Advocate Advisories for cases significantly affecting the public interest

Measure #1: # of Public Advocate Advisories published for cases significantly affecting the public interest

F: Result - Enhance State Revenue From Mineral Resources

Target #1: Increase state revenue from mineral resource development by 20% (adjusted for changes in oil and gas prices) over current baseline projections, over the next ten years

Measure #1: % progress toward increase in state revenue from mineral resource development over current baseline projections, each year over the next ten years

F1: Strategy - Assist state agencies in achieving a project to market Alaska's North Slope Gas

Target #1: Within seven years have a transportation system completed to carry North Slope gas to market

Measure #1: Number of years required for completion of a transportation system to carry North Slope gas to market

F2: Strategy - Defend non-discriminatory inter-state TAPS tariff

Target #1: Achieve non-discriminatory TAPS tariff

Measure #1: Successful FERC adjudicatory determination following administrative hearing

Key RDU Challenges

COLLECTIONS AND CHILD SUPPORT

The primary challenge for the child support unit will be to accommodate a growing number of requests from the Child Support Services Division (CSSD) for assistance in more complex enforcement actions and a growing caseload of time consuming support modification requests. Recently, CSSD has shifted its focus from establishing paternity and support orders to enforcement of support orders. CSSD places more emphasis on enforcement action, including the use of civil contempt, attachment of assets, fraudulent transfer actions, seek work orders, native dividend and PFD orders, and criminal non-support. At the same time, actions to modify child support orders have become more time consuming and difficult, with an increase in the number of shared, divided or hybrid custody cases as well as self-employed or voluntarily underemployed parents. These actions are requiring more resources. To meet this increased demand, CSSD restored funding for the section's eighth attorney position that has been vacant for several years. The support unit will continue to assist CSSD in updating its regulations to comply with state and federal law as well as current cases decided by the Alaska Supreme Court. The support unit will also continue to assist CSSD in modifying its procedures due to changes to the federal bankruptcy laws.

For the collections unit, the primary challenge will be to implement a new database to efficiently increase money collected for the state and victims of crimes as well as expand the types of judgments the unit can collect. The 2006 capital budget included an appropriation for this purpose. The unit has selected a new database program. The new database program will help improve collections efforts. Currently, the unit is unable to collect certain criminal surcharges due to limited staff and the limited database. In addition to collecting other types of judgments, the new database will expand the restitution collection work. Since January 2002 when the unit began collecting restitution, the unit has developed and, over time, improved a streamlined system for processing restitution judgments and collecting and disbursing restitution on behalf of victims. To date, because of limited personnel and the time spent developing the program and training staff, the unit's work has been limited primarily to processing judgments, handling voluntary payments, and attaching permanent fund dividends. The unit will now begin to move forward with more aggressive collection action, particularly in cases where the defendant's failure to pay is particularly egregious.

CONSUMER PROTECTION AND ANTITRUST ENFORCEMENT

Alaska is a target state for many types of consumer fraud. Under the Consumer Protection Act (AS 45.50.471 et seq.), the Attorney General is authorized to investigate and bring enforcement actions against businesses that engage in unfair or deceptive trade practices. Given the current funding and staffing level and the large areas of enforcement the office is responsible for, the section is still forced to turn away many legitimate cases of consumer fraud. Enforcement activities are directed to situations affecting a large number of consumers or involving large dollar amounts, and often there are not enough resources for even those cases. The division has been able to increase enforcement activity because of additional statutory designated program receipt resources appropriated to this component beginning in FY2000 and increased again in FY2004. To help ensure receipt of statutory designated program receipt resources, the division needs to maintain the section's participation in multi-state investigation and enforcement activities involving national companies that have committed unfair or deceptive practices impacting Alaskan consumers.

In addition to consumer protection and antitrust enforcement, the section also is responsible for the annual registration of approximately 2,000 charitable organizations, paid solicitors, and telemarketers. This is a challenging process that takes substantial section resources each year to complete. In 2004, the department was given authority to collect a fee for each registration, which helps offset the costs of the annual registration process but does not cover all costs associated with this important function.

ENVIRONMENTAL

The division will investigate and pursue appropriate legal actions to hold BP and others accountable for oil spills from pipeline corrosion and the resulting partial shutdown of the Prudhoe Bay field.

The State of Alaska and the United States have asserted a re-opener claim arising out of the EXXON Valdez oil spill in the amount of 92 million dollars. The division will continue to pursue this matter.

The division will work with the Alaska Department of Environmental Conservation (DEC) to develop a program and detailed regulations to implement provisions of the Cruise Ship Initiative approved by the voters in the August 2006 primary elections.

CHILD PROTECTION

Statutory changes at the state and federal level have necessitated changes in how long children may remain in the child protection legal system. These changes bring cases to conclusion faster to ensure that when reunification with the family is not in the child's best interest the child can be made legally eligible for placement in a permanent home more quickly. The changes also mandate additional court proceedings in order to ensure that the department is quickly moving to achieve a permanent plan for the child. The accelerated schedules, additional hearings, and appropriate document preparation mean that each attorney has a significant caseload. Maintaining our existing resources for child protection is necessary in order for us to effectively manage this important responsibility. Adequate attorney resources are also necessary in order to help the Office of Children's Services meet certain goals for purposes of federal funding of foster care and administrative expenses involved in child protection. We anticipate with the additional positions created from FY2005 through FY2007, we should be able to assist the Office of Children's Services to maximize federal reimbursement.

HUMAN SERVICES

Attorneys who handle cases and issues relating to Medicaid have had a large increase in work due to changes in the regulations related to Medicaid waivers. Additionally, provider appeals have increased, which requires additional audits of Medicaid providers. This increase has resulted in an increase in both administrative appeals and appeals to the superior court. The division has also assumed responsibility over the legal work associated with Medicaid liens and subrogation, which has resulted in close to 400 new open litigation files. Additionally, changes to the licensing structure in the Department of Health and Social Services as a result of SB 125 has resulted in work load increases as the department implements regulations in support of this bill. Finally, the implementation of the new public health law has resulted in an increase in the agency advice to the Division of Public Health.

LABOR & STATE AFFAIRS

The division is representing the state in two education cases with potentially significant budget impacts. The first case involves a claim that the state discriminated against rural school districts in the manner used to fund school facilities. This case also involves claims that the state breached fiduciary obligations when it changed the public school trust from a land-based trust to a money-based trust. The second education case is a challenge under the Alaska Constitution alleging that public education is inadequately funded and seeks significant additional funds for education. This second case is currently in a one month trial and a decision from the trial court is expected in FY2007.

The division will continue to assist with implementation of the significant changes to public employee benefits systems that were adopted by the legislature in FY2005 and that were required by the Alaska Supreme Court's decision in *ACLU v. State*, which requires the state to provide benefits to its employees for their same sex domestic partners. It will continue to address the increase in workload from the changes to public employee benefits claims procedures, requiring that those claims be heard on shorter notice and with greater formality.

LEGISLATION AND REGULATIONS

The Legislation and Regulations section will be facing an increased demand for its services. The implementation of most major program and policy changes, including cost containment and increasing efficiency and effectiveness in the provision of state services, requires timely changes to statutes, regulations, or a combination of both. To defend any legal challenges successfully and to implement those program and policy changes in a timely manner, precise and clear regulations and statutes are essential. This section plays a crucial role in ensuring that regulations and proposed legislation meet those strict legal standards. The section sees a significant increase in regulations projects and proposed legislation and an increased burden to meet the requests of state agencies with timeliness and accuracy.

NATURAL RESOURCES

The division will continue to be involved in litigation concerning Alaska's right to charge nonresidents higher annual fees to participate in the state's commercial fisheries. Plaintiffs in the case are seeking millions of dollars in refunds and

interest. The state argues that the differential charged nonresidents was permissible and that no refund is due. The division also continues to advise the Alaska Department of Natural Resources (DNR) on permitting and access issues for large mines, including the Red Dog, Pogo, Fort Knox, Pebble and Kensington projects. There has also been an increase in requests for assistance in clearing clouds on title to state lands as DNR tries to increase the amount of state land it offers for sale.

OIL, GAS, & MINING

Oil and gas pipeline related matters

The division's Oil, Gas, and Mining section expends substantial resources to monitor the Trans-Alaska Pipeline System (TAPS) owners' compliance with the 1985 TAPS settlement agreement, and to monitor and participate where appropriate in state and federal regulatory oversight of the tariffs of all oil and gas pipelines operating in the state. This vigilance can earn the state millions of dollars in royalties and production taxes each year. Further, as production of oil and gas from current developments declines in Alaska, the state's participation in tariff regulation is becoming more and more important in encouraging additional producers to invest in exploration of new areas in the state, by ensuring fair transportation rates and access to existing pipeline infrastructure for production from new fields.

During FY2008 the Oil, Gas and Mining section will be participating in briefing and other post-hearing proceedings stemming from the state's discrimination challenge to the TAPS' 2005 -2006 interstate tariffs. The State will also examine the TAPS carriers' proposed 2008 tariffs and consider whether they are justified. The State must also determine whether to open negotiations on the TAPS Interstate and Intrastate Settlement Agreements that were executed in 1985 and expire by their terms in 2011. If so, those negotiations will take place in FY2007 and FY2008. Finally, the State's protest of expenditures by the TAPS' carriers on the Strategic Reconfiguration project will proceed through discovery and hearing processes at the Federal Energy Regulatory Commission (FERC) through FY2008. A scheduling hearing on the Strategic Reconfiguration protests is scheduled before the FERC in March 2007.

The section will continue negotiations with Cook Inlet area gas pipeline owners on the opening to regulated access of all Cook Inlet area gas pipeline infrastructure -- to facilitate and encourage new gas production and producers -- and will support acceptance of the tariffs developed through those negotiated settlements in proceedings at the Regulatory Commission of Alaska (RCA). The section will also continue to participate in several administrative appeals related to intrastate TAPS tariffs.

Another case that has not been resolved involves a dispute among TAPS shippers and the state over the appropriate method to determine quality bank adjustments, which are payments made to compensate for the different qualities of crude oil and refinery return streams that are commingled in TAPS. FERC and RCA decisions have spawned numerous court appeals. The Oil, Gas and Mining section will continue to monitor the tariffs of the so-called North Slope feeder pipelines that transport oil from remote fields to TAPS.

North Slope gas pipeline-related issues

Arrangements to construct a gasline to transport Alaska North Slope gas to market will continue to sit at the top of the FY2008 Department of Law's priority "to do" list. The known gas resource on Alaska's North Slope is huge. The potential gas resource on unexplored lands on the North Slope is much larger. Developing these resources is one of the most promising opportunities to strengthen and support Alaska's economic future.

The section must also provide legal support to the Alaska Natural Gas Development Authority created by citizen's initiative in the November 2002 statewide election

Tax Cases

The division is pursuing millions of dollars in past-due taxes and interest that are owed by oil and gas producers to the state. In some cases, thousands of documents have to be examined and many potential witnesses must be interviewed or deposed in order to prepare for hearing. These hearings can last for weeks. At this time, two major tax cases are before the Office of Administrative Hearings. Another major case at the informal conference stage is an appeal of the department of Revenue's decision to aggregate properties within the Prudhoe Bay Unit for purposes of determining the

Economic Limit Factor (ELF).

The department also provides support and represents the department of Revenue in appeals from the annual oil and gas property tax assessments, including the valuation of TAPS for taxes due. The owners of TAPS appealed the Department of Revenue's (DOR) 2006 assessment of TAPS to the Superior court and two affected municipalities cross-appealed. This case may go to trial in 2007, requiring the department to contract the services of experts in appraisal and assessment practice.

The department will be required to provide substantial legal assistance to the department of Revenue in its formulation and adoption of regulations stemming from enactment of the Petroleum Production Tax (PPT) legislation.

Royalty

Royalty disputes regularly arise between the oil and gas producers and the state. Although the division handles most of these disputes in-house, assistance from outside counsel and experts is sometimes necessary. In FY2008, either the state or its lessees may reopen negotiations over the previously settled Alaska North Slope royalty disputes based on changes in marketplace value and transportation costs. The division may require assistance from specialized outside trial counsel and experts originally involved in the royalty dispute to resolve these re-openers.

OPINIONS APPEALS AND ETHICS

The division's Opinions, Appeals and Ethics section currently oversees the work of the civil division on over 100 active appeals pending in state and federal court. At any given time, the civil division has between 90 and 110 civil appeals pending, about 25 of which are "Child-in-Need-of-Aid" (CINA) cases, involving child abuse and neglect. The section handles appeals in cases that concern constitutional and legal issues of particular legal or policy import. A key challenge for the section is to be involved in the briefing and preparation of all civil appeals.

The section also prepares or reviews Attorney General opinions. A key challenge in this area has been to develop protocols to ensure the section is involved early in the opinion process so that the department can render timely and high quality advice to state agencies, which improves agency decision making. Recently, the division has developed and adopted a new department policy on opinions that will help the department issue higher quality opinions in a more timely manner.

Ethics is another key challenge for the division. The division handles scores of ethics issues, investigations, opinions, and oral and written advice. These issues come up literally every day from all over state government. It is important that ethics advice be rendered promptly and in a consistent manner. Opinions and advice often require significant factual and legal research. The section also provides ethics training for state agencies. Better and more frequent training should reduce the number of ethics problems that arise and improve agency action and decision making on these issues.

Indian law issues continue to impact virtually every area of state government's responsibilities. The section is working to provide advice on a wide variety of issues including civil and criminal jurisdiction and authority, Indian gaming, waivers of sovereign immunity, Indian country, tribal status, the Indian Child Welfare Act, Public Law 280, and many more. We anticipate this area of law and legal services to be a continuing challenge for the division.

STATEHOOD DEFENSE

During FY2008, the Statehood Defense unit will work to protect and ensure access to state and private lands and on public waters across Alaska through assertions of RS 2477 rights-of-way, Alaska National Interest Lands Conservation Act (ANILCA) access rights, and ownership of navigable waters. Statehood Defense attorneys will work with the Department of Natural Resources (DNR) and the Alaska Department of Fish and Game (ADF&G) to file with the Bureau of Land Management (BLM) additional applications for recordable disclaimers of interest to navigable waters, and provide information to BLM that convince it to declare waterways navigable within the survey windows it is completing. The unit will continue work to secure the state's land entitlement from the federal government is fulfilled.

The Statehood Defense unit will participate in and monitor the ongoing federal actions relating to application to Alaska's Tongass and Chugach National Forests of a national Roadless Rule. The unit will participate in the Endangered Species Act (ESA) process as it relates to Pacific salmon and ensure adherence to the Pacific Salmon Treaty. The unit will continue to closely monitor the federal subsistence program, assist ADF&G in preparation of state comments, and challenge actions by the Federal Subsistence Board when necessary. Attorneys will review and comment on proposed federal legislation to complete conveyances under Alaska Native Claims Settlement Act (ANCSA) and ANILCA and the Alaska Native Allotment Act by 2009, and will review proposed federal public use management plans for federal lands. The unit will also continue to work on issues relating to assertions of tribal sovereignty that impact state interests

TORTS AND WORKERS' COMPENSATION

The division is facing challenges caused by retirement of senior attorneys in its torts section and frequent turnover of staff providing support to the attorneys in the section. The frequent turnover in staff decreases the section's efficiency in meeting ever present pretrial deadlines. Additional challenges to the section are caused by the disproportionate amount of the section's resources that must be channeled to defending lawsuits filed by unrepresented plaintiffs. Over the last several years, changes in Alaska case law have resulted in lengthier and more complex motion and trial practice to defend these "pro per" lawsuits.

TRANSPORTATION

The division will continue assisting with implementation of the State's transportation agenda. In the coming year, this may include activities related to the development of access to Juneau, a Knik Arm Bridge, and infrastructure to support a possible gas line. The section will also help the state assume National Environmental Policy Act (NEPA) review responsibilities from the Federal Highway Administration (FHWA) in a pilot program authorized by Congress.

Significant Changes in Results to be Delivered in FY2008

COLLECTIONS AND CHILD SUPPORT

The division goal is to decrease the time for processing child support modification files. The goal for FY2008 will be to assure that action is taken in 90% of child support modification files within 30 days of receipt of the file from the Child Support Services Division (CSSD). The division also intends to increase the use of civil and criminal enforcement actions in child support cases. The goal for FY2008 is to increase the number of criminal non-support prosecutions by 10% and the number of cases accepted for civil enforcement action by 5%.

The division goal is to implement the new collections database by summer 2007 and begin collecting other judgments, fines and costs, specifically the Correctional Facility Surcharge and Police Training Surcharge, owed to the State of Alaska that are not currently collected by the unit due to the limited database and limited staff. The division also hopes that the new collection database will allow for more efficient processing of restitution cases to collect restitution owed to victims. Additionally, this section will be moving to new space in the adjacent Whale Building as early as January, 2007. To undertake this move, an additional \$143,000 in general fund program receipts collected by this section is requested in the FY2008 budget needed to pay for annual lease costs associated with the new space.

COMMERCIAL AND FAIR BUSINESS AND ENVIRONMENTAL

Cruise Ship Initiative

The division's workload will substantially increase as a result of Ballot Measure 2 (commonly referred to as the "**Cruise Ship Initiative**") that passed in the August 2006 primary election. The initiative enacted sweeping new rules, taxes and fees that impact the cruise and tourism industry. As a result of the initiative's passage, the division is requesting two new attorneys plus \$75,000 for experts to perform work funded from the taxes and fees generated by the initiative. As part of the initiative, the Department of Environmental Conservation (DEC), with Law's assistance, must develop an environmental permitting, compliance, and enforcement program. This program will include, as major components, development of a permitting system, a significant regulations project, and training and certification of "Ocean Rangers" who will act as compliance and enforcement officers under the new program. The Ocean Rangers will provide on-board environmental monitoring of cruise ship smokestack and wastewater discharges. Entities subject to regulation under

this new program will include large cruise ships and commercial passenger vessels accommodating more than 250 passengers.

Additionally, the division will need to provide legal assistance to the Department of Revenue (DOR) corporate income tax and excise tax programs and charitable gaming unit. The initiative will increase the case load for the DOR's tax division by creating a new excise or head tax and making cruise ship income subject to the state's corporate income tax. DOR, with Law's assistance, will have to develop new regulations to establish the method for collecting the head and income tax. Law will also have to assist DOR with audits and administrative hearings concerning the head tax and corporate income tax bills generated as a result of the initiative. The initiative also makes certain cruise ship gambling revenues taxable. Because of the international nature of cruise ship companies, it is possible that their tax appeals will be complex. The tax on gambling proceeds may also lead to additional audits and tax appeals.

Attorneys in the division's Legislation and Regulation section will also be called upon to assist with drafting and review of the regulations and to work on matters related to the initiative that may require legislative action. Finally, in the even event of any legal challenge to the initiative, the division will represent the State in the litigation and appeal.

In order to undertake this increased workload, the FY2008 operating budget includes a request for \$470,600 in general funds and two new attorneys. \$75,000 of this request will be used to pay for the cost of experts.

CHILD PROTECTION

Palmer office: During last year's legislative session, two additional judges were added to the Palmer court. As a result, the division requested an additional attorney for its civil office in Palmer. This request was made for a number of reasons: The Palmer attorney had 160 cases, far exceeding the department's goal of 100 active cases per attorney. Statistics also showed a dramatic increase in the case filings in the Palmer court as a result of population increases, and a high proportion of serious cases, i.e. those involving methamphetamines. Additionally, for whatever reason, cases in the Palmer court have been especially contentious, with far more litigation than in other parts of the state. The legislature funded the second Palmer attorney position, which will help manage the increasing caseload. However, the two Palmer attorneys are very much in need of a paralegal assistant and additional secretarial support staff.

The two Palmer attorneys share a current caseload of 181 cases. In addition, the attorneys also handle adult guardianship cases and foster care license revocation cases that occur in the Mat-Su Valley. With two attorneys in Palmer appearing before six judicial officers, we anticipate that cases will progress faster than in the past.

Currently very limit paralegal support for the Palmer attorneys comes from Anchorage, where the paralegals are already overburdened. Providing paralegal support from Anchorage is logistically very challenging and time-consuming.

Paralegals are generally responsible for obtaining often voluminous case files from the Office of Children's Services (OCS), purging those files of confidential information, and providing copies of discovery to the other parties to the case; reviewing OCS files to prepare exhibit lists and motions for records; arranging for subpoenas to be served upon witnesses; preparing pre-trial notebooks; contacting and interviewing witnesses; scheduling witnesses for trial; preparing routine motions and responses to motions; and trial support.

Much of the work above is currently done by the division's attorneys, taking valuable time away from the attorney's trial preparation. The attorney often works overtime hours to get the job done. Having attorneys perform paralegal work is not a good use of resources and it impacts the division's ability to be prepared for trials. In order to keep up with the Palmer caseload, the division needs a paralegal assistant to help prepare cases for trial so the attorneys can use their time for trial preparation.

Kenai office: One assistant attorney general handles all Child in Need of Aid (CINA) cases on the Kenai Peninsula, including those heard in courts in Kenai, Seward and Homer. This attorney currently has a caseload of 196 cases, far exceeding the department's goal of 100 cases per attorney. This attorney often has to handle what would typically be considered paralegal work on top of this heavy caseload. She does this by working substantial amounts of overtime hours. The attorney occasionally gets assistance from paralegals in Anchorage, but logistical difficulties make this cumbersome and time-consuming. Until mid-December, this attorney will have a law student intern working with her on a full-time basis. This intern has been able to assist the attorney in doing what would typically be paralegal work. When this intern leaves in December, the attorney will once again be left to handle a huge number of cases without paralegal assistance.

To further compound the issue, the Kenai court will soon be adding another judge. That will mean this attorney must prepare to appear before three superior court judges and one master. Because of the increase in judicial officers, it is anticipated that cases will be handled more quickly. In order for this attorney to be able to handle 196 cases before four judges, it is essential that the Kenai have paralegal support.

Based on these needs, an additional paralegal in Palmer and Kenai each is requested in this budget. The agency plans to add an additional halftime law office assistant with existing funds.

The Kenai, Nome and Palmer communities are very pleased to have attorneys located within their communities. Recruitment and retention of attorneys for CINA positions continues to be a major challenge and it is hoped that this problem will improve as caseload pressure on existing staff is relieved by the addition of attorneys in these communities.

HUMAN SERVICES

Passage of two major bills (SB 125 regarding licensing and HB 95 regarding public health disasters and emergencies) will require increased agency advice, and possibly litigation, as the Department of Health and Social Services implements these bills. In addition, the first complete round of Medicaid audits as result of the passage of SB 41 in 2004, have been completed. Each of the audits has a process attached to it that allows for administrative and legal review of findings. Finally, the Department of Health and Social Services has implemented a Quality Assurance program to work on program compliance, which will result in increased agency advice.

In 2005, the state took over the private contract with PCG consulting to handle all third party recovery/subrogation matters for the state. As a part of taking on that work, the Human Services section received funding for one full time attorney and one full time paralegal in the 2006 budget. This two person-team currently has 636 open files. They have resolved 490 matters since January 2005, with recoveries to the state exceeding \$2.6 million dollars. Each month they send out 750 -1,200 letters seeking leads for new matters. On average, they open 30 cases a month and close approximately 23 cases a month. In addition, as part of taking on this work, the section was also tasked with working with the Department of Health and Social Services (DHSS) related to Medicaid audit recoveries under AS 47.05.200. Over the past two years, we have had 15 appeals (administrative or superior court) and have advised DHSS on all 75 audits issued each year.

DHSS would like to have the section establish an estate recovery process, which is required by state and federal law. It is anticipated that the recovery efforts by the division on behalf of the Department of Health and Human Services could double if additional resources could be added to the legal effort. Also, during the 2006 session, the legislature passed HB 426 which expands Medical Assistance's ability to recover medical benefits it has paid on behalf of someone who was otherwise insured. The Department of Health and Social Services will fund this from a fiscal note they submitted that was passed along with the legislation.

There are currently four full-time attorneys in the Juneau Human Services section. Three of the attorneys have an active litigation case load and have historically operated without any litigation support. These attorneys handle all licensing suspensions and revocations for all licensed facilities under AS 47.32. Additionally, these attorneys handle all Certificate of Need Litigation and much of the complex Medicaid litigation which are often class action matters potentially affecting millions of dollars. The lack of paralegal and litigation support has made these efforts less efficient in that the attorneys have to do all of their discovery, witness preparation and interviewing, trial preparation and document organization, generating administrative records for appeals to superior court. Moreover, this is not cost effective for our client agencies since they are being billed at attorney rates for paralegal type services. The addition of a paralegal is essential for efficient handling of this important work.

LEGISLATION AND REGULATIONS

The section anticipates a substantial number of regulations consultations to address new statutes concerning oil and gas taxation, the cruise ship initiative and other priority matters.

The section will need additional general funds to address these priority matters, to increase capacity to avoid contracting with private attorneys for final regulation reviews, and to increase structural flexibility to address continuity of services if the current limited number of staff assigned to this key function became ill or unavoidably absent due to a family emergency.

OIL, GAS AND MINING

The key to unlocking the North Slope gas resource is the construction of a pipeline to transport this gas to markets both inside and outside of Alaska. To expedite the construction of the needed gas transportation system, the state has expressed interest to enter into a contractual arrangement with potential gas line developers. It is unknown whether final contractual arrangements will take place within or outside the scope of the Stranded Gas Development Act. Moreover, it is unknown whether contractual arrangements will be made for both midstream and upstream elements, or just one of these, or will include state ownership of the project.

In preparing this budget the division has assumed the state will enter into or continue complex and lengthy negotiations with one or more parties. Moreover, the division is anticipating that complex issues involving state ownership of a gas line, financing, federal regulation, and fiscal certainty will likely arise.

Assuming a gas line contract is agreed to and approved by the Legislature, during FY2008 the division anticipates there will be at least one legal challenge to the legality of the contract. In addition, the division will be required to draft legislative or regulatory language necessary to implement any changes to the state's fiscal regime or other state laws that will improve the viability of the project, and assist other agencies with their various permitting responsibilities related to the project.

Moreover, if the successful applicant or applicants files an application for a certificate of public convenience and necessity with the Federal Energy Regulatory Commission (FERC), the Oil, Gas and Mining section will be responsible for representing the state's interests in the project. Both in-house and outside counsel will be used in this endeavor.

To address all these critical areas of law associated with oil and gas, the section estimates it will need \$23,350,000 in FY2007 and FY2008 in addition to what is already budgeted for the section.

TORTS

Effective June 2004, AS 09.50.253 affords a certification process for common law claims against individually sued state employees for lawsuits brought pursuant to AS 09.50.250. The certification process allows an individually sued state employee to be dismissed from a lawsuit (and the state substituted as defendant) if the Attorney General certifies that the employee was acting within the scope of the employee's office or employment at the time of the incident out of which the claim arose. The certification process will play a larger role in the section's tort defense in FY2007 because of the June 2004, effective date and the two-year statute of limitations for tort claims. The Division of Risk Management has provided \$118,900 in additional funds beginning in FY2006 to pay for a paralegal position for the section.

RECRUITMENT AND RETENTION

The Civil Division is experiencing major challenges in the recruitment and retention of qualified staff to serve as Assistant Attorneys General. This is true in both urban and rural offices. The primary reason for this serious problem is that the state's salaries for attorneys are not competitive with similar jobs in both the private and public sector. Law school graduates often have large student loans and cannot afford to take state legal positions when other public and private sector employers pay higher entry salaries. We are also losing experienced attorneys with many years of state service to jobs with higher pay in other public and private offices. These attorneys also leave because of the division's heavy caseloads. They can find more attractive, less stressful, jobs at higher pay in the private sector. The division needs to address this problem. The hiring and retention of qualified, skilled attorneys directly impacts the state's ability to achieve results in court.

TECHNOLOGY UPGRADE

The Department has embarked upon a several-tiered project to enhance the organization and efficiency of legal work through the use of technology. The division has entered into a contract to implement the software application ProLaw for timekeeping, case management, document management as well as to replace and unify our beleaguered collections and restitution databases. Full deployment of case management, and timekeeping and billing may occur by June 30, 2007. It is expected that document management will not be fully in place until 2008.

Major RDU Accomplishments in 2006

Child Protection: The division continued to prosecute approximately 2,000 ongoing Child In Need of Aid (CINA) cases, moving toward the goal of achieving permanency for children, whether it be reunification with their family or other permanent placement, such as adoption or guardianship. The division represented DHSS, OCS in a lawsuit filed by four Alaska Native villages challenging the advice given to OCS in a 2004 Attorney General's Opinion regarding tribal jurisdiction over child protection cases. The division also represented DHSS, OCS in a lawsuit filed in federal court by the Native Village of Kaltag and two individuals. The main issue raised by the case is whether tribal courts of Alaska Native villages without reservations have the legal authority to initial child protection cases that can lead to the termination of parental rights and to issue adoption orders entitled to be given full faith and credit by the state.

Collections and Support: The division collected over \$4.6 million in FY2006. These collections included criminal fines, cost of appointed counsel; cost of imprisonment, civil judgments owed to the State of Alaska, and victim restitution. Of this amount, the division collected and disbursed to victims over \$1.5 million in restitution

Commercial and Fair Business: The division successfully prosecuted or negotiated settlements in nine separate professional discipline and license denial cases, involving three physicians, one dentist, two certified nurse's aides, two social workers, and two real estate licensees. These cases resulted in revocation, suspension, voluntary surrender, or denial of licenses, imposition of civil fines, and/or a reprimand based on conduct involving failure to meet professional standards in the treatment of a patient, practicing medicine while license was lapsed; substance abuse; unprofessional conduct; unlawful prescribing practices; failure to disclose convictions; and false information on a renewal application.

The division also successfully prosecuted two insurance fraud cases resulting in felony convictions under plea agreements including orders for restitution of fraudulently obtained claim payments. These cases arose out of investigations by the Division of Insurance and involved claims for benefits under workers' compensation insurance policies.

The consumer protection and antitrust enforcement unit processed 358 consumer complaints, of those, 203 were resolved through the informal complaint process resulting in either direct or indirect assistance to consumers or referral to other appropriate state and federal agencies. The unit participated in four multi-state antitrust matters involving three pharmaceutical companies and one compact disc company that resulted in favorable settlements for Alaska including \$149,359 in receipts for consumer protection/antitrust enforcement efforts as well as restitution to affected consumers or state agencies. The unit participated in settlement of three multi-state consumer protection cases in which the state obtained injunctive relief prohibiting conduct in violation of our consumer protection and antitrust statutes, restitution for consumers, and payments to the state of approximately \$365,000 for costs, attorneys' fees and consumer protection enforcement.

The unit participated in or completed four consumer education initiatives related to predatory lending practices, senior fraud issues, cyber crime and internet fraud. These initiatives were accomplished through media outreach, targeted brochures, and presentations to consumer and industry groups. The division collected \$77,689 in fees for registration of charitable organizations, paid solicitors, and telemarketers.

Environmental: In FY2005, the division recovered over \$2,700,000 for state costs and penalties related to violations of state environmental laws and obtained cleanup agreement with polluters with an estimated value of over \$59,765,000 for a total benefit to the state of over \$62,465,000. To accomplish this, the component expended only \$1,234,000.

The division worked with state and federal agencies to facilitate various economic development projects including the Kensington mine project.

Labor and State Affairs: The division advised the Division of Retirement and Benefits relating to changes required by the Alaska Supreme Court's order to provide public employees with benefits for same sex domestic partners. It represented the department at trial, successfully defeating a claim that health benefits for retirees had diminished in violation of the Alaska Constitution. The division represented the Department of Education and Early Development in a month-long trial alleging inadequate funding in education.

Natural Resources: The division briefed and argued before the Alaska Supreme Court in the *Carlson* case, a class action seeking refund of nonresident commercial fishing fees. The division continued to defend ADF&G and prevailed in litigation before the superior court related to mariculture of geoduck clams. The division continued to successfully defend the state's predator control program. The division defended the Board of Fisheries decision authorizing the Chignik Co-op fishery. The division cleared land titles for numerous parcels of state land targeted for land disposal.

Oil and Gas: The division assisted the Governor's Office and the departments of Natural Resources and Revenue in complex and intensive negotiations in an effort to achieve a gas line contract. The section engaged in drafting detailed contract provisions and analyzing constitutional and other state law issues relevant to the contract that was presented to the Legislature.

The division assisted the Department of Revenue in analyzing and drafting complex legislation related to fundamental changes to the state's oil and gas production tax regime

The division assisted the Department of Revenue in negotiating a settlement with a major oil and gas producer that resulted in the producer paying over \$66 million in additional income tax and interest to the state.

The section assisted the Department of Natural Resources in settling a royalty dispute with a major oil and gas producer on the eve of arbitration that resulted in a net benefit to the state of over \$30 million.

Opinions, Appeals and Ethics: The division provided legal advice on over 100 ethics issues, rendered several ethics opinions and memoranda of advise on topics such as outside employment, post-state employment, gifts, and contracts, investigated and resolved several ethics complaints, and is continuing work on several pending investigations and issues. The division worked on a wide variety of Indian law issues including the Indian Child Welfare Act, Indian gaming, sovereign immunity, and tribal jurisdiction in civil and criminal arenas.

Regulatory Affairs Public Advocacy: During FY2006, the division, on behalf of the Attorney General filed comments or briefs in three dockets and pre-filed direct testimony in numerous dockets including five electric utility rate cases, a statewide refuse utility rate case, three statewide natural gas utility cases and one local exchange carrier telecommunications rate case. The division was also involved in numerous settlement conferences resulting in stipulations to settle issues in seven dockets.

Statehood Defense: The state's attorneys obtained entry of the final decree of the United States Supreme Court quieting title to most of the submerged lands in the Tongass National Forest in the state.

The state filed briefs in a lawsuit against the United States challenging the manner in which the federal agencies applied the Federal Reserved Water Rights doctrine in federal subsistence regulations.

The state's attorneys filed an amicus brief in support of the "State Petition Rule" and against reinstatement of the "Roadless Rule" in federal district court in California.

The state continued to file new applications with the Bureau of Land Management (BLM) for recordable disclaimers of interest (RDI) for lands underlying navigable waters and has received a number of RDIs from BLM.

The state continued to work on a quiet title action against the United States and others to quiet title to two RS 2477 rights-of-way in northern Alaska. The state settled with one defendant who platted the right-of-way on his property and obtained default judgments against several other defendants.

Torts: The state petitioned for review to the Alaska Supreme Court in a Fairbanks case filed against the Office of Children Services and two social workers. The Supreme Court accepted review and ordered further briefing on the issues of whether the social workers can be collaterally estopped from findings in a parental termination trial and the scope of immunity for social workers involved in child protection matters.

The section briefed the constitutionality of the cap on non-economic damages (AS 09.17.010) after notice was given by the trial court of the constitutional challenge. After briefing, the trial court upheld the constitutionality of the cap. The matter is now on appeal in the Alaska Supreme Court.

Transportation: Attorneys in the division worked on issues relating to development of infrastructure projects such as a Knik Arm Crossing, Gravina Island bridges, Juneau access, Abbott Loop Extension, Ted Stevens Anchorage and Fairbanks International Airports concourse and airfield renovations, the Anchorage Convention Center, a downtown Anchorage parking garage, a Palmer State Office Building, Fairbanks and Anchorage fish hatcheries, and a new state prison in the Mat-Su Valley.

Attorneys in the division worked on issues relating to the acquisition of property for projects, such as Parks Highway Upgrades, Anchorage's C Street Extension, Ketchikan's South Tongass Highway, Fairbanks' Illinois Street, and the Kenai River bridge in Soldotna.

Contact Information

Contact: Craig Tillery, Deputy Attorney General
Phone: (907) 465-2133
Fax: (907) 465-2075
E-mail: craig_tillery@law.state.ak.us

Civil Division
RDU Financial Summary by Component

All dollars shown in thousands

	FY2006 Actuals				FY2007 Management Plan				FY2008 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<u>Formula</u>												
<u>Expenditures</u>												
None.												
<u>Non-Formula</u>												
<u>Expenditures</u>												
Dep. Attny General's Office	7,935.8	0.0	2.7	7,938.5	312.0	0.0	0.0	312.0	341.6	0.0	0.0	341.6
Collections and Support	489.2	0.0	1,529.4	2,018.6	635.8	0.0	1,634.6	2,270.4	1,026.8	0.0	1,635.9	2,662.7
Commercial and Fair Business	1,167.4	0.0	2,669.1	3,836.5	952.7	0.0	3,408.4	4,361.1	1,519.8	0.0	3,465.9	4,985.7
Environmental Law	314.8	0.0	1,505.2	1,820.0	953.4	0.0	956.5	1,909.9	1,424.8	0.0	956.9	2,381.7
Human Services/Child Protection	4,317.5	0.0	1,431.1	5,748.6	4,320.9	0.0	1,432.3	5,753.2	5,274.9	0.0	1,434.0	6,708.9
Labor and State Affairs	1,678.6	0.0	3,751.7	5,430.3	2,141.8	0.0	3,194.2	5,336.0	2,633.0	0.0	3,141.2	5,774.2
Legislation/Reg ulations	0.0	0.0	0.0	0.0	703.9	0.0	248.6	952.5	669.7	0.0	248.8	918.5
Natural Resources	909.7	0.0	231.2	1,140.9	857.1	0.0	326.5	1,183.6	1,000.1	0.0	326.9	1,327.0
Oil, Gas and Mining	16,967.8	0.0	367.5	17,335.3	5,130.6	0.0	1,477.0	6,607.6	3,718.9	0.0	1,477.0	5,195.9
Opinions, Appeals and Ethics	64.4	0.0	122.2	186.6	1,042.6	0.0	418.3	1,460.9	1,210.5	0.0	418.6	1,629.1
Reg Affairs Public Advocacy	0.0	0.0	1,005.4	1,005.4	0.0	0.0	1,426.8	1,426.8	0.0	0.0	1,564.8	1,564.8
Statehood Defense	755.6	0.0	0.0	755.6	1,362.8	0.0	0.0	1,362.8	1,285.2	0.0	0.0	1,285.2
Timekeeping & Litigation	0.0	0.0	608.6	608.6	15.6	0.0	1,113.8	1,129.4	264.6	0.0	1,169.4	1,434.0

Civil Division
RDU Financial Summary by Component

All dollars shown in thousands

	General Funds	FY2006 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2007 Management Plan Federal Funds	Other Funds	Total Funds	General Funds	FY2008 Governor Federal Funds	Other Funds	Total Funds
Support Torts and Workers' Compensatio n	0.0	0.0	2,870.2	2,870.2	47.1	0.0	2,978.2	3,025.3	420.0	0.0	2,981.0	3,401.0
Transportation Section	0.0	0.0	1,991.4	1,991.4	38.9	0.0	2,197.0	2,235.9	288.1	0.0	2,198.9	2,487.0
Totals	34,600.8	0.0	18,085.7	52,686.5	18,515.2	0.0	20,812.2	39,327.4	21,078.0	0.0	21,019.3	42,097.3

Civil Division
Summary of RDU Budget Changes by Component
From FY2007 Management Plan to FY2008 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	18,515.2	0.0	20,812.2	39,327.4
Adjustments which will continue current level of service:				
-Dep. Attny General's Office	0.2	0.0	0.0	0.2
-Collections and Support	179.2	0.0	-177.3	1.9
-Commercial and Fair Business	320.1	0.0	-316.3	3.8
-Environmental Law	100.0	0.0	-98.2	1.8
-Human Services/Child Protection	199.1	0.0	-199.8	-0.7
-Labor and State Affairs	232.4	0.0	-283.1	-50.7
-Legislation/Regulations	-130.5	0.0	-18.3	-148.8
-Natural Resources	37.9	0.0	-36.7	1.2
-Oil, Gas and Mining	-1,799.5	0.0	0.0	-1,799.5
-Opinions, Appeals and Ethics	39.3	0.0	-37.8	1.5
-Reg Affairs Public Advocacy	0.0	0.0	0.4	0.4
-Statehood Defense	-198.7	0.0	0.0	-198.7
-Timekeeping & Litigation Support	128.0	0.0	-72.4	55.6
-Torts and Workers' Compensation	372.9	0.0	-370.1	2.8
-Transportation Section	249.2	0.0	-247.3	1.9
Proposed budget increases:				
-Dep. Attny General's Office	29.4	0.0	0.0	29.4
-Collections and Support	211.8	0.0	178.6	390.4
-Commercial and Fair Business	247.0	0.0	373.8	620.8
-Environmental Law	371.4	0.0	98.6	470.0
-Human Services/Child Protection	754.9	0.0	201.5	956.4
-Labor and State Affairs	258.8	0.0	230.1	488.9
-Legislation/Regulations	96.3	0.0	18.5	114.8
-Natural Resources	105.1	0.0	37.1	142.2
-Oil, Gas and Mining	387.8	0.0	0.0	387.8
-Opinions, Appeals and Ethics	128.6	0.0	38.1	166.7
-Reg Affairs Public Advocacy	0.0	0.0	137.6	137.6
-Statehood Defense	121.1	0.0	0.0	121.1
-Timekeeping & Litigation Support	121.0	0.0	128.0	249.0
-Torts and Workers' Compensation	0.0	0.0	372.9	372.9
-Transportation Section	0.0	0.0	249.2	249.2
FY2008 Governor	21,078.0	0.0	21,019.3	42,097.3